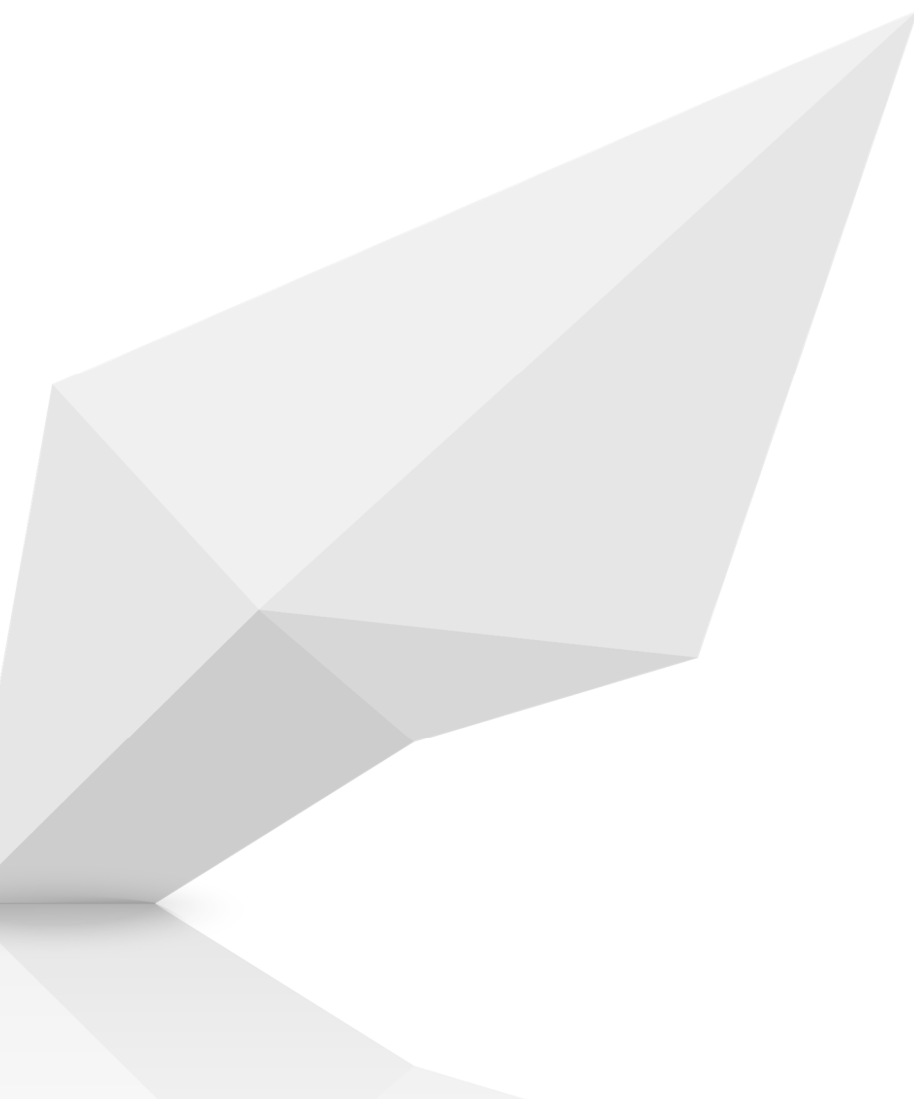


Center for Housing and Health

Financial Statements and Supplementary Information

Years Ended June 30, 2020 and 2019



WIPFLI

Independent Auditor's Report

To the Board of Directors
Center for Housing and Health
Chicago, Illinois

Report on the Financial Statements

We have audited the accompanying financial statements of Center for Housing and Health, (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Center for Housing and Health as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States.

Other Matters

Related Party Relationship

Center for Housing and Health is related through governance, operations, and staff utilization with AIDS Foundation of Chicago (AFC). Center for Housing and Health was formed by AFC and is a supporting organization of AFC. These statements only include the accounts of Center for Housing and Health. See note 9 for details of related transactions. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of public grant activity is presented for purposes of additional analysis and is not a required part of the financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 9, 2021, on our consideration of Center for Housing and Health's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Center for Housing and Health's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Center for Housing and Health's internal control over financial reporting and compliance.

Wipfli LLP

Chicago, Illinois
March 9, 2021

Center for Housing and Health

Statements of Financial Position

| <i>June 30,</i> | 2020 | | | 2019 | | |
|---|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|
| Assets | | | | | | |
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Current assets: | | | | | | |
| Cash | \$ 51,183 | \$ 189,291 | \$ 240,474 | \$ 292,794 | \$ 86,748 | \$ 379,542 |
| Grants receivable | 1,799,597 | 72,557 | 1,872,154 | 1,200,356 | - | 1,200,356 |
| Prepaid expenses | 6,286 | - | 6,286 | 22,429 | - | 22,429 |
| Total assets | \$ 1,857,066 | \$ 261,848 | \$ 2,118,914 | \$ 1,515,579 | \$ 86,748 | \$ 1,602,327 |
| Liabilities and Net Assets | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | \$ 64,016 | \$ - | \$ 64,016 | \$ 3,205 | \$ - | \$ 3,205 |
| Due to related party | 483,575 | - | 483,575 | 309,203 | - | 309,203 |
| Unearned government grants | 241,075 | - | 241,075 | 29,191 | - | 29,191 |
| Total liabilities | 788,666 | - | 788,666 | 341,599 | - | 341,599 |
| Net assets | 1,068,400 | 261,848 | 1,330,248 | 1,173,980 | 86,748 | 1,260,728 |
| Total liabilities and net assets | \$ 1,857,066 | \$ 261,848 | \$ 2,118,914 | \$ 1,515,579 | \$ 86,748 | \$ 1,602,327 |

See accompanying notes to financial statements

Center for Housing and Health

Statements of Activities and Changes in Net Assets

| <i>Years Ended June 30,</i> | 2020 | | | 2019 | | |
|---------------------------------------|-------------------------------|----------------------------|---------------------|-------------------------------|----------------------------|---------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total | Without Donor Restrictions | With Donor Restrictions | Total |
| Support and revenue: | | | | | | |
| Program grants | \$ 8,818,421 | \$ - | \$ 8,818,421 | \$ 5,076,164 | \$ - | \$ 5,076,164 |
| Flexible Housing Pool grants | 1,889,922 | 113,786 | 2,003,708 | - | - | - |
| Corporate and foundation grants | 80,107 | 137,217 | 217,324 | 142,752 | 86,748 | 229,500 |
| Other revenue | 99,894 | - | 99,894 | 425,568 | - | 425,568 |
| Net assets released from restrictions | 75,903 | (75,903) | - | 122,954 | (122,954) | - |
| Total support and revenue | 10,964,247 | 175,100 | 11,139,347 | 5,767,438 | (36,206) | 5,731,232 |
| Operating expenses: | | | | | | |
| Program services | 10,665,537 | - | 10,665,537 | 5,354,411 | - | 5,354,411 |
| Management and general | 404,290 | - | 404,290 | 236,807 | - | 236,807 |
| Total operating expenses | 11,069,827 | - | 11,069,827 | 5,591,218 | - | 5,591,218 |
| Change in net assets | (105,580) | 175,100 | 69,520 | 176,220 | (36,206) | 140,014 |
| Net assets at beginning of year | 1,173,980 | 86,748 | 1,260,728 | 997,760 | 122,954 | 1,120,714 |
| Net assets at end of year | \$ 1,068,400 | \$ 261,848 | \$ 1,330,248 | \$ 1,173,980 | \$ 86,748 | \$ 1,260,728 |

See accompanying notes to financial statements

Center for Housing and Health

Statements of Functional Expenses

| <i>Years Ended June 30,</i> | 2020 | | | 2019 | | |
|-------------------------------------|---------------------|---------------------------|-------------------|---------------------|---------------------------|-------------------|
| | Program Services | Management and General | Total Expenses | Program Services | Management and General | Total Expenses |
| Salaries and related | \$ 1,267,343 | \$ 91,609 | \$ 1,358,952 | \$ 1,047,866 | \$ 21,176 | \$ 1,069,042 |
| Professional and technical services | 87,240 | 267,369 | 354,609 | 12,712 | 197,749 | 210,461 |
| Occupancy | 139,284 | 16,874 | 156,158 | 73,847 | 3,742 | 77,589 |
| Equipment lease and maintenance | 4,936 | 1,581 | 6,517 | 2,484 | 84 | 2,568 |
| Utilities and telephone | 16,282 | 1,167 | 17,449 | 9,411 | 2,710 | 12,121 |
| Direct client support | 7,535,679 | - | 7,535,679 | 2,934,670 | - | 2,934,670 |
| Liability insurance | 5,094 | 389 | 5,483 | 8,535 | 140 | 8,675 |
| Equipment use | 73,876 | 5,708 | 79,584 | 5,787 | 194 | 5,981 |
| Bank fees and other | 483 | 4,745 | 5,228 | 209 | 2,446 | 2,655 |
| Meetings and travel | 33,205 | 4,506 | 37,711 | 34,578 | 242 | 34,820 |
| Postage and messenger services | 5,821 | 230 | 6,051 | 1,298 | 1,490 | 2,788 |
| Membership dues and subscriptions | 318 | 3,798 | 4,116 | 812 | 7 | 819 |
| Printing | - | - | - | 363 | 720 | 1,083 |
| Supplies | 43,455 | 6,314 | 49,769 | 132,201 | 6,107 | 138,308 |
| Subcontractor program costs | 1,452,521 | - | 1,452,521 | 1,089,638 | - | 1,089,638 |
| Total operating expenses | \$10,665,537 | \$ 404,290 | \$11,069,827 | \$ 5,354,411 | \$ 236,807 | \$ 5,591,218 |

See accompanying notes to financial statements

Center for Housing and Health

Statements of Cash Flows

| <i>Years Ended June 30,</i> | 2020 | 2019 |
|---|-------------------|-------------------|
| Cash flows from operating activities: | | |
| Change in net assets | \$ 69,520 | \$ 140,014 |
| Adjustments to reconcile change in net assets to net cash from operating activities: | | |
| (Increase) decrease in: | | |
| Grants receivable | (671,798) | (584,549) |
| Prepaid expenses | 16,143 | (13,871) |
| Increase (decrease) in: | | |
| Accounts payable | 60,811 | (12,901) |
| Due to related party | 174,372 | 124,286 |
| Unearned government grants | 211,884 | 11,517 |
| Net cash from operating activities | (139,068) | (335,504) |
| Net change in cash | (139,068) | (335,504) |
| Cash, beginning of year | 379,542 | 715,046 |
| Cash, end of year | \$ 240,474 | \$ 379,542 |

See accompanying notes to financial statements

Center for Housing and Health

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

Center for Housing and Health (the "Organization") is an Illinois not-for-profit corporation and is exempt from federal income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. The Organization began operations in December 2011, and is organized to promote the coordination research, evaluation, and policy development of housing and health programs that serve vulnerable populations in the Chicago metropolitan area. The Organization is a supporting organization of AIDS Foundation of Chicago.

Basis of Accounting

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Basis of Presentation

The Organization is required to report information regarding its financial position and activities according to two classes of net assets. A definition of each class follows:

- *Net Assets without donor restrictions:* Net assets available for use in general operations and not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by the board of directors.
- *Net Assets with donor restrictions:* Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. We report contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Organization has no net assets with donor restrictions that are perpetual in nature.

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

Center for Housing and Health

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments purchased with an original maturity of three months or less to be cash and cash equivalents. The Organization had no cash equivalents as of June 30, 2020 and 2019.

Contributions and Unconditional Promises to Give

Contributions, including unconditional promises to give, are recognized as revenue when received. Conditional contributions and promises to give are recognized as revenue when the barriers to entitlement are overcome and either a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets is removed. Assets received for which the condition has not been satisfied are recorded as a refundable advance liability.

Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions.

Grant and Contracts

Grants and contracts are either recorded as contributions or exchange transactions based on criteria contained in the grant award:

- Grant awards that are contributions - unconditional grants to the organization are reported at fair value at the date the grant is received. Conditional grants are recognized only when the conditions on which they depend are substantially met and the grant becomes unconditional. Grants that qualify as conditional contributions are recorded as invoiced to the funding sources. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses are included in unearned government grants in the accompanying statements of financial position.
- Grant awards that are exchanges - grants and contract revenue is received from various funding agencies in exchange for specific services provided by the organization. This revenue is recognized at the time the Organization provides the services to which the grants and contracts are limited. Amounts received in advance of services being provided are included in deferred revenue in the accompanying statements of financial position.

Center for Housing and Health

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Grants Receivable

Grants receivable represent amounts due from funding organizations for reimbursable expenses incurred in accordance with the related agreements. Amounts are reviewed for collectability by management and an allowance for doubtful accounts is recorded as needed based on collection history. As of June 30, 2020 and 2019, the Organization considers these receivables to be collectible, and, therefore, no allowance for uncollectible amounts has been recorded.

Rental Subsidy

The Organization participates in a rental subsidy program partially funded by the Department of Housing and Urban Development (HUD). As part of this program, the Organization began collecting rent directly from tenants as a pass-through to the landlords of the properties. The tenants are listed in the lease agreements and the Organization is complying with HUD guidelines that require the Organization to pay the landlords 100% of the tenant's portion of the rent. As such, the tenant's portion of the rent paid to the Organization and passed through to the landlord is considered an agency transaction and is not reported in revenues or expenses on the financial statements. The amount of passed through rent was \$368,218 and \$356,648 for the years ended June 30, 2020 and 2019.

Functional Allocation of Expenses

The costs of providing program and supporting services have been summarized on a functional basis in the statements of activities and changes in net assets. The statements of functional expenses present the natural classification detail of expenses by function. The Organization charges direct program expenses directly to each program. The Organization uses a salary allocation based on time and effort to allocate all shared costs to program, management and general or fundraising.

Income Taxes

The Organization has been classified by the Internal Revenue Service as an organization exempt from income taxes (not a private foundation) under Internal Revenue Code Section 501(c)(3) and, accordingly, no provision for such taxes is made in the statements. The Organization continues to operate in compliance with its tax-exempt purpose. Management does not believe its financial statements include uncertain tax positions.

Risks and Uncertainties

Beginning in March 2020, the United States economy began suffering adverse effects from the Covid 19 virus crisis (CV19 Crisis). As of the date of issuance of the financial statements the Center for Housing and Health has started to see adverse impacts of the CV19 Crisis in the form of greatly increased client needs. The future impact of the CV19 Crisis on the Center for Housing and Health cannot be reasonably estimated at this time.

Center for Housing and Health

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Change in Accounting Policy

On June 21, 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU assist in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) subject to Subtopic 958-605 or as exchange (reciprocal) transactions subject to Accounting Standards Codification 606 and (2) determining whether a contribution is conditional. The contribution guidance in Subtopic 958-605 requires an entity to determine whether a transaction is conditional, which affects the timing of the revenue recognized. The entity has applied the amendments in this ASU on a modified prospective basis. There was no change on opening balances of net assets and no prior period results were restated.

Recently Issued Accounting Standards

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* (Topic 606). This ASU, as amended, provides comprehensive guidance on the recognition of revenue from customers arising from the transfer of goods and services, guidance on accounting for certain contract costs, and new disclosures. The new standard supersedes current revenue recognition requirements in FASB Accounting Standards Codification (ASC) Topic 606, *Revenue Recognition*, and most industry-specific guidance. When adopted, the amendments in the ASU must be applied using one of two retrospective methods. ASU No. 2014-09 is effective for nonpublic entities for annual periods ending on or after December 15, 2020. The Organization is currently evaluating the impact of the provisions of ASC 606.

Subsequent Events

Management has evaluated subsequent events through March 9, 2021, the date the financial statements were available to be issued.

Note 2: Liquidity and Availability of Financial Resources

Financial assets available for general expenditure, that is, without donor restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

| <i>June 30,</i> | 2020 | 2019 |
|--|---------------------|---------------------|
| Cash | \$ 240,474 | \$ 379,542 |
| Grants receivable | 1,872,154 | 1,200,356 |
| Total financial assets | 2,112,628 | 1,579,898 |
| Donor restricted - Time or purpose | (261,848) | (86,748) |
| Unearned government grants | (241,075) | (29,191) |
| Financial assets available to meet general expenditures within one year | \$ 1,609,705 | \$ 1,463,959 |

Center for Housing and Health

Notes to Financial Statements

Note 2: Liquidity and Availability of Financial Resources (Continued)

The Organization does not have a formal liquidity policy, but generally strives to maintain liquid financial assets sufficient to cover operating expenses for government grants.

Note 3: Concentration of Credit Risk

The Organization maintains a bank account in a major Chicagoland bank subject to the Federal Deposit Insurance Corporation's \$250,000 limit. At times throughout the year, bank balances exceeded FDIC insured limits. The Organization has not experienced any loss in this account and believes it is not exposed to any significant credit risk on its cash balance.

Note 4: Concentration of Contributions

For the year ended June 30, 2020, approximately 60% of the Organization's revenue was earned under various contracts from three funding sources. For the year ended June 30, 2020, the Organization recognized revenue of \$7,321,050 from these funding sources. As of June 30, 2020, these three funding sources owed the Organization \$939,347.

For the year ended June 30, 2019, approximately 68% of the Organization's revenue was earned under various contracts from two funding sources. For the year ended June 30, 2019, the Organization recognized revenue of \$4,198,820 from these funding sources. As of June 30, 2019, these two funding sources owed the Organization \$719,359.

Note 5: Commitments and Contingencies

At June 30, 2020 and 2019, the Organization had commitments under various grants of approximately \$5,694,477 and \$3,300,218, respectively. These commitments are not recognized in the accompanying financial statements as they are conditional awards.

Note 6: Net Assets with Donor Restrictions

At June 30, 2020 and 2019, net assets with donor restrictions, which have either purpose or time restriction, consisted of the following:

| <i>As of June 30,</i> | 2020 | 2019 |
|---|-------------------|------------------|
| Purpose restricted: | | |
| Chicago and Cook County Housing for Health Strategic Plan | \$ 43,054 | \$ 56,748 |
| Evaluation of SHP Redesign | 10,845 | 30,000 |
| Housing systems improvements & innovation | 46,246 | - |
| Flexible housing pool | 113,786 | - |
| Time restricted: | | |
| Crown Family Philantropies | 47,917 | - |
| Total net assets with donor restrictions | \$ 261,848 | \$ 86,748 |

Center for Housing and Health

Notes to Financial Statements

Note 6: Net Assets with Donor Restrictions (Continued)

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events, specified by the donors. Net assets released from restrictions due to events totaled \$75,903 and \$122,954 for the years ended June 30, 2020 and 2019, respectively.

Note 7: Contractual Agreements

The Organization's personnel, office space, and financial activities are primarily supported by the AIDS Foundation of Chicago (AFC) through a managed services arrangement. AFC provides personnel and office space and allocates appropriate expenses to the Organization. Grant procurement is also completed by AFC. As such, the Organization does not have fundraising expenses. At June 30, 2020 and 2019, amounts owed to AFC were \$483,575 and \$309,203, respectively.

Note 8: Contract for Services

The Organization entered into a contract to receive a maximum of \$1,500,000 to coordinate the efforts of the Better Health Through Housing Program to assure that the program will transition patients identified as being homeless into permanent supportive housing. The Organization provides services including case management, consisting of advocacy, counseling, and outreach along with helping participants in navigating the health care system and assistance following the terms of their leases in order to maintain permanent housing. The Organization receives compensation at the rate of \$1,000 per participant per month. The contract expires June 30, 2021, and the total amount committed but not yet earned under this contract as of June 30, 2020 and 2019, is \$96,344 and \$419,702.

The Organization entered into a contract to receive initial funding of \$1,800,000 to coordinate the efforts of the Flexible Housing Subsidy Program to assure that eligible residents in the City of Chicago are placed in qualified residential housing units. The Organization provides services including case management, consisting of counseling and outreach, and assistance helping the tenants meet goals and desired health outcomes. The contract expires after three years, and the total amount earned under this contract for the years ended June 30, 2020 and 2019 is \$1,065,840 and \$206,910.

Center for Housing and Health

Notes to Financial Statements

Note 9: Related Party Transactions

AFC formed the Center for Housing and Health as a supporting organization. The Organization was organized to promote the coordination, research, evaluation, and policy development of housing and health programs that serve vulnerable populations in the Chicago metropolitan area. The Organization and AFC have common board membership. AFC provides CHH with the use of personnel and allocates certain operating expenses. Additionally, AFC awards pass through federal grants to the Center for Housing and Health. The following is a summary of activity included in the financial statements:

Included in statements of financial position:

| <i>June 30,</i> | 2020 | 2019 |
|----------------------|------------|------------|
| Due to related party | \$ 483,575 | \$ 309,203 |

Included in statements of activities

| <i>Years Ended June 30,</i> | 2020 | 2019 |
|--------------------------------|--------------|--------------|
| Public grants earned | \$ 4,953,276 | \$ 1,101,504 |
| Fee for administrative support | 262,058 | 194,311 |

Supplementary Information

Center for Housing and Health

Schedule of Public Grant Activity

Year Ended June 30, 2020

| | DFSS Outreach - Homeless Service | DFSS - Homeward Bound | DFSS - Permanent Supportive Housing | CSH/DFSS System Coordination | Supportive Housing Program |
|--|---|---|---|--|--|
| Funding Agency | Chicago Department of Family and Support Services | Chicago Department of Family and Support Services | Chicago Department of Family and Support Services | Chicago Departmentt of Family and Support Services | Illinois Department of Human Services |
| Grant Period(s)) | 1/1/20 to 12/31/20 1/1/19 to 12/31/19 | 1/1/20 to 12/31/20 1/1/19 to 12/31/19 | 1/1/20 to 12/31/20 1/1/19 to 12/31/19 | 1/1/20 to 12/31/20 1/1/19 to 12/31/19 | 7/1/19 to 6/30/20 7/1/18 to 6/30/19 |
| Total Grant Award(s) | 80,000 | 250,000 | 370,000 | 90,245 | 315,970 |
| Grant Awards: | | | | | |
| Uncollected Grants Awards 6-30-19 | \$ 76,047 | \$ 250,000 | \$ 370,001 | \$ 90,245 | \$ - |
| New Grant Awards | 80,000 | 250,000 | 370,000 | 90,245 | 315,970 |
| Grant collected or adjusted | (89,345) | (266,121) | (394,229) | (106,974) | (234,714) |
| Uncollected Grant Awards 6-30-20 | 66,702 | 233,879 | 345,772 | 73,516 | 81,256 |
| Unearned Grant Commitments: | | | | | |
| Unearned Grant 6-30-19 | 44,296 | 183,588 | 251,986 | 44,413 | 29,194 |
| New Grant Awards | 80,000 | 250,000 | 370,000 | 90,245 | 315,970 |
| Grants Expended and Earned: | | | | | |
| Expenditures | (92,893) | (288,244) | (397,601) | (87,106) | (244,963) |
| Adjustments | - | - | - | - | - |
| Remaining Grant Commitments 6-30-20 | \$ 31,403 | \$ 145,344 | \$ 224,385 | \$ 47,552 | \$ 100,201 |

See Independent Auditor's Report

Center for Housing and Health

Schedule of Public Grant Activity

Year Ended June 30, 2020

| | SUPR Grant | HOPWA Cook Grant | HOPWA Collar Grant | HOPWA RCN | HOPWA SPNS |
|--|---------------------------------------|--|--|--|--|
| Funding Agency | Illinois Department of Human Services | AIDS Foundation of Chicago | AIDS Foundation of Chicago | AIDS Foundation of Chicago | AIDS Foundation of Chicago |
| Grant Period(s) | 5/1/19 to 6/30/20 | 4/1/20 to 3/31/21 7/1/19 to 3/31/20 | 4/1/20 to 3/31/21 7/1/19 to 3/31/20 | 2/1/20 to 1/31/21 2/1/19 to 1/31/20 | 2/1/20 to 1/31/21 2/1/19 to 1/31/20 |
| Total Grant Award(s) | - | 658,623 | 262,396 | 333,020 | 244,781 |
| Grant Awards: | | | | | |
| Uncollected Grant Awards 6-30-19 | \$ 275,926 | \$ 441,746 | \$ 277,273 | \$ 176,260 | \$ 184,779 |
| New Grant Awards | - | 658,623 | 262,396 | 333,020 | 244,781 |
| Grant collected or adjusted | (243,186) | (650,218) | (326,895) | (430,392) | (301,864) |
| Uncollected Grant Awards 6-30-20 | 32,740 | 450,151 | 212,774 | 78,888 | 127,696 |
| Unearned Grant Commitments: | | | | | |
| Unearned Grant 6-30-19 | 193,127 | 396,400 | 257,799 | 85,223 | 131,891 |
| New Grant Awards | - | 658,623 | 262,396 | 333,020 | 244,781 |
| Grants Expended and Earned: | | | | | |
| Expenditures | (204,693) | (678,901) | (336,840) | (379,274) | (265,718) |
| Adjustments | 11,566 | - | - | - | - |
| Remaining Grant Commitments 6-30-20 | \$ - | \$ 376,122 | \$ 183,355 | \$ 38,969 | \$ 110,954 |

See Independent Auditor's Report

Center for Housing and Health

Schedule of Public Grant Activity

Year Ended June 30, 2020

| | HOPWA | HOPWA SPNS | HUD SSI | HUD Samaritan | HUD RHHP |
|--|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Funding Agency | AIDS Foundation of Chicago | AIDS Foundation of Chicago | AIDS Foundation of Chicago | AIDS Foundation of Chicago | AIDS Foundation of Chicago |
| Grant Period(s) | 1/1/20 to 12/31/20 | 1/1/20 to 12/31/20 | 2/1/20 to 1/31/21 | 9/1/19 to 8/31/20 | 8/1/19 to 7/31/20 |
| Total Grant Award(s) | 3,000,000 | 249,338 | 1,469,043 | 1,037,481 | 295,511 |
| Grant Awards: | | | | | |
| Uncollected Grant Awards 6-30-19 | \$ - | \$ - | \$ - | \$ - | 72,153 |
| New Grant Awards | 3,000,000 | 249,338 | 1,469,043 | 1,037,481 | 295,511 |
| Grant collected or adjusted | (1,048,695) | (103,383) | (432,780) | (845,094) | (367,664) |
| Uncollected Grant Awards 6-30-20 | 1,951,305 | 145,955 | 1,036,263 | 192,387 | - |
| Unearned Grant Commitments: | | | | | |
| Unearned Grant 6-30-19 | - | - | - | - | 1,926 |
| New Grant Awards | 3,000,000 | 249,338 | 1,469,043 | 1,037,481 | 295,511 |
| Grants Expended and Earned: | | | | | |
| Expenditures | (1,247,741) | (144,284) | (523,773) | (1,037,481) | (339,264) |
| Adjustments | - | - | - | - | 41,827 |
| Remaining Grant Commitments 6-30-20 | \$ 1,752,259 | \$ 105,054 | \$ 945,270 | \$ 192,387 | - |

See Independent Auditor's Report

Center for Housing and Health

Schedule of Public Grant Activity

Year Ended June 30, 2020

| | HUD CoC | HUD CoC | ESG Rapid Re- Housing | NIH NIDA MCW | Total |
|--|--|--------------------|--------------------------|---------------------------------|---------------------|
| Funding Agency | U.S. Department of Housing and Urban Development | CSH | All Chicago | Medical College of Wisconsin | |
| Grant Period(s) | 3/1/20 to 2/28/21 | 1/1/20 to 11/30/20 | 1/1/20 to 12/31/20 | | |
| Total Grant Award(s) | 2,454,594 | 66,493 | 102,900 | | |
| Grant Awards: | | | | | |
| Uncollected Grant Awards 6-30-19 | \$ 1,744,662 | \$ 66,200 | \$ 111,115 | \$ 227,089 | \$ 4,363,496 |
| New Grant Awards | 2,454,594 | 63,493 | 102,900 | - | 11,244,280 |
| Grant collected or adjusted | (2,363,765) | (80,132) | (128,184) | (227,089) | (8,640,724) |
| Uncollected Grant Awards 6-30-20 | 1,835,491 | 49,561 | 85,831 | - | 6,967,052 |
| Unearned Grant Commitments: | | | | | |
| Unearned Grant 6-30-19 | 1,534,587 | 33,108 | 55,833 | 56,847 | 3,300,218 |
| New Grant Awards | 2,454,594 | 63,493 | 102,900 | - | 11,244,280 |
| Grants Expended and Earned: | | | | | |
| Expenditures | (2,367,774) | (66,396) | (95,111) | (7,324) | (8,805,381) |
| Adjustments | - | 4,912 | (29) | (49,523) | (44,640) |
| Remaining Grant Commitments 6-30-20 | \$ 1,621,407 | \$ 35,117 | \$ 63,593 | - \$ | \$ 5,694,477 |

See Independent Auditor's Report

Center for Housing and Health
Schedule of Expenditures of Federal Awards
Year Ended June 30, 2020

| <i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i> | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures | Subrecipient Payments |
|--|------------------------|--|-------------------------|--------------------------|
| U.S. Department of Health and Human Services | | | | |
| <i>Pass-Through Programs:</i> | | | | |
| Illinois Department of Human Services - CABHI | 93.243 | 43CYC03517 | \$ 204,693 | \$ - |
| Medical College of Wisconsin - Drug Abuse and Addiction Research Programs | 93.279 | 5R01DA038085-05 | 7,324 | - |
| Total U.S. Department of Health and Human Services | | | 212,01 | |
| U.S. Department of Housing and Urban Development: | | | | |
| <i>Pass-Through Programs:</i> | | | | |
| CDBG Entitlements Cluster: | | | | |
| City of Chicago Dept. of Family Support Services - Outreach Coordination | 14.218 | 85420 | 43,356 | - |
| City of Chicago Dept. of Family Support Services - Outreach Coordination | 14.218 | 85420 | 49,536 | - |
| Subtotal, CFDA 14.218, CDBG Entitlements Cluster | | | 92,892 | - |
| <i>Pass-Through Programs:</i> | | | | |
| All Chicago - ESG Rapid Re-Housing Program | 14.231 | 85383 | 67,831 | 67,831 |
| All Chicago - ESG Rapid Re-Housing Program | 14.231 | 85383 | 28,421 | 11,590 |
| Subtotal, CFDA 14.231 | | | 96,252 | 79,421 |
| <i>Pass-Through Programs:</i> | | | | |
| AIDS Foundation of Chicago - HOPWA | 14.241 | 92325 Rel. #2 | 1,247,741 | - |
| AIDS Foundation of Chicago - SPNS | 14.241 | 102897 #2 | 144,284 | - |
| AIDS Foundation of Chicago - HOPWA Cook | 14.241 | 75780027E | 460,382 | - |
| AIDS Foundation of Chicago - HOPWA Cook | 14.241 | 05780067H | 218,519 | - |
| AIDS Foundation of Chicago - HOPWA Collar | 14.241 | 75780026E | 238,237 | - |
| AIDS Foundation of Chicago - HOPWA Collar | 14.241 | 05780066H | 98,603 | - |
| AIDS Foundation of Chicago - RCN SPNS | 14.241 | ILH180014 | 379,274 | - |
| AIDS Foundation of Chicago - CHHP SPNS | 14.241 | IL-H17-0030-00 | 265,718 | - |
| AIDS Foundation of Chicago -RHHP | 14.241 | HOPWA170007-01- 01 | 339,265 | - |
| Subtotal, CFDA 14.241 | | | 3,392,023 | - |

Center for Housing and Health
Schedule of Expenditures of Federal Awards (Continued)
Year Ended June 30, 2020

| <i>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</i> | Federal CFDA Number | Pass-Through Entity Identifying Number | Federal Expenditures | Subrecipient Payments |
|--|------------------------|--|-------------------------|--------------------------|
| U.S. Department of Housing and Urban Development (continued): | | | | |
| <i>Direct Programs:</i> | | | | |
| Continuum of Care | 14.267 | IL0493L5T101806 | \$ 1,534,547 | \$ 295,526 |
| Continuum of Care | 14.267 | IL0493L5T101907 | 833,227 | 53,418 |
| <i>Pass-Through Programs:</i> | | | | |
| AIDS Foundation of Chicago - SHP Safe Start 1 | 14.267 | IL0197L5T101811 | 243,371 | - |
| AIDS Foundation of Chicago - SHP Safe Start 1 | 14.267 | IL0197L5T101912 | 280,402 | - |
| AIDS Foundation of Chicago - SHP Chronic Homeless Samaritan | 14.267 | IL0162L5T101912 | 1,037,481 | 14,200 |
| Corporation for Supportive Housing - Continuum of Care | 14.267 | 19009-C | 31,220 | - |
| Corporation for Supportive Housing - Continuum of Care | 14.267 | 19065-C | 32,970 | - |
| Subtotal, CFDA 14.267 | | | 3,993,218 | 363,144 |
| Total U.S. Department of Housing and Urban Development | | | 7,574,385 | 442,565 |
| Total Expenditures of Federal Awards | | | \$ 7,786,402 | \$ 442,565 |

See Independent Auditor's Report on Supplementary information.
See Notes to Schedule of Expenditures of Federal Awards.

Center for Housing and Health

Notes to Schedule of Expenditures of Federal Awards Year Ended June 30, 2020

Note 1: General

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of Center for Housing and Health under programs of the federal government for the year ended June 30, 2020. The information in this schedule is presented in accordance with requirements of the Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of Center for Housing and Health, it is not intended to and does not present the financial position, changes in net assets or cash flows of Center for Housing and Health.

Note 2: Basis of Accounting

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3: Indirect Cost Rate

Center for Housing and Health has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Directors
Center for Housing and Health
Chicago, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Center for Housing and Health (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020 and the related statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated March 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Center for Housing and Health's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Center for Housing and Health's internal control. Accordingly, we do not express an opinion on the effectiveness of Center for Housing and Health's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Center for Housing and Health's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Center for Housing and Health's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Center for Housing and Health's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Wipfli LLP

Chicago, Illinois
March 9, 2021

Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance

To the Board of Directors
Center for Housing and Health
Chicago, Illinois

Report on Compliance for Each Major Federal and State Program

We have audited Center for Housing and Health's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020. Center for Housing and Health's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of Center for Housing and Health's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Center for Housing and Health's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on Center for Housing and Health's compliance.

Opinion on Each Major Federal and State Program

In our opinion, Center for Housing and Health complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of Center for Housing and Health is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Center for Housing and Health's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Center for Housing and Health's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Wipfli LLP

Chicago, Illinois
March 9, 2021

Center for Housing and Health
Schedule of Findings and Questioned Costs
Year Ended June 30, 2020

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

 Material weakness(es) identified? ___ yes x no

 Significant deficiency(ies) reported? ___ yes x no

Noncompliance material to financial statements noted? ___ yes x no

Federal Awards

Internal control over major programs:

 Material weakness(es) identified? ___ yes x no

 Significant deficiency(ies) reported? ___ yes x no

Type of auditor's report issued on compliance for major programs Unmodified

Any audit findings disclosed that are required to be reported
in accordance with the Uniform Guidance [2 CFR 200.516(a)]? ___ yes x no

Identification of major federal programs:

| <u>CFDA Number</u> | <u>Name of Federal Program or Cluster</u> |
|--------------------|---|
| 14.241 | Housing Opportunities for Persons with AIDS |

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? Yes

Section II - Financial Statement Findings

None

Section III – Federal Award Findings and Questioned Costs

None

Section IV – Prior Year Findings

None